Preparatory Process for the
Third International Conference on Financing for Development

Substantive informal session: "Learning from partnerships"

12 December 2014, 10 a.m. to 1 p.m.
Trusteeship Council Chamber, United Nations, New York

Since Monterrey, the financing landscape for development has become more complex and diverse, requiring the effective and integrated management of all financing flows at the national level, with a view to maximizing their impact on sustainable development. Implementation of the post-2015 agenda and the Sustainable Development Goals (SDGs) will depend on financial flows from all sources, as well as a strengthened international enabling environment. Specific SDGs will depend on the different financing sources, mechanisms and other elements to varying degrees. Partnerships between public and private agents have been one modality that has proven successful in financing specific sectors. One objective of this session is to learn lessons from existing funds and partnerships to better understand the contributions partnerships can make in different areas, what types of partnerships work best for different goals, and what other modalities are needed.

Programme

Co-Chairs

- H.E. Mr. George Wilfred Talbot (Guyana)
- H.E. Mr. Geir O. Pedersen (Norway)

Keynote on national sustainable development financing strategies

- The Hon. Birima Mangara, Deputy Minister of Economy, Finance and Planning, Senegal

Moderator

- Dr. Barry Herman, Milano School of International Affairs, Management and Urban Policy, The New School

Panel Discussion

- Prof. Jeffrey Sachs, Director, The Earth Institute, Columbia University
- Dr. Naoko Ishii, CEO and Chairperson, Global Environment Facility
- Dr. Mercy Ahun, Special Representative to GAVI-eligible Countries, GAVI
- Mr. Nick York, Director of Country, Corporate and Global Evaluations

Substantive informal session: “Learning from partnerships” - Briefing Note

Financing needs

The financing needs for sustainable development are widely recognized to be large. The Intergovernmental Committee of Experts on Sustainable Development Financing found that estimates varied widely as the effort to quantify needs was complex and necessarily imprecise, but that all estimates pointed to a significant financing shortfall. Large investment requirements were identified to eradicate extreme poverty and address hunger, health and education needs. Investment requirements for infrastructure are larger still, and were estimated at $5-7 trillion annually, with additional requirements for ‘climate-compatible’ scenarios.[1]

Source: UNTT Background Paper 1, x-axis in logarithmic scale

UNCTAD estimated total investment needs in developing countries at $3.3-4.5 trillion annually, with current investment at $1.4 trillion implying an investment gap of $1.9-3.1 trillion per year.[2] Sachs and Schmidt-Traub also provide preliminary estimates of incremental investment needs, of comparable order of magnitude, split into

Multi-stakeholder partnerships

The increased complexity of financing streams partly reflects the introduction of new financing instruments, such as multi-stakeholder partnerships, that seek to exploit the complementary roles of public and private actors at the national, regional and global level. The General Assembly characterised partnerships as 'voluntary and collaborative relationships between various parties, both public and non-public, in which all parties agree to work together to achieve a common purpose or undertake a specific task and, as mutually agreed, to share risks and responsibilities, resources and benefits.'[8]

In the wake of the adoption of the Millennium Development Goals and the Monterrey Consensus, partnerships between public and private actors have become increasingly prominent in supporting the implementation of globally agreed development goals. By allowing public and private donors and other stakeholders to harmonize and concentrate their efforts, such 'implementing partnerships' address concerns over fragmentation. However, these cooperation mechanisms sometimes create additional institutional actors with which recipient country authorities have to interact. They also risk adding to a silo-based approach which is inconsistent with an integrated sustainable development agenda.

The challenge is to learn from partnership experiences to understand where and under which parameters they work most effectively. As the most prominent example, global public-private partnerships have contributed to significant progress in the health sector. Global health programmes such as the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria and GAVI have introduced innovative governance structures, with private sector, philanthropy and civil society representation at the board level, and innovative allocation strategies guided by independent scientific review, with a focus on quantifiable results. They have been effective at sharing knowledge and delivering results.

Sachs and Schmidt-Traub have identified seven core components of partnerships that are key to success in delivering their missions: shared global goals and metrics; evidence-based advocacy; the development of national implementation strategies; technology road-mapping to identify technology needs; an appropriate blend of financing resources and technology transfer; effective national delivery systems supported by international partners; and rigorous monitoring and evaluation.[9]

The global partnership

While international partnerships are expected to play an increasing role in development cooperation in the post-2015 era, an integrated and broad sustainable development agenda will require predictable and non-earmarked international support for developing countries.

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[8] A/RES/66/223

[9] Sachs, Jeffrey and Guido Schmidt-Traub, 2014, *Financing Sustainable Development: Implementing the SDGs through effective investment strategies and partnerships*, Preliminary unedited draft, SDSN

Non-earmarked funding is more clearly in line with effectiveness principles such as country ownership. Budget support is thus the theoretically preferred means of official financial assistance. Yet most concessional assistance from multilateral and bilateral providers, as well as implementing partnerships, is in the form of programme and project support. These different modalities need to complement each other to deliver a comprehensive post-2015 sustainable development agenda.

The means for delivering on that agenda is the “global partnership for development”, which is distinct from the implementing partnerships discussed above. The global partnership concept has a long history in the international community, dating back to the late 1960s.[10] It refers to a compact of commitments by Member States to promote development. The concept gained momentum in follow-up to the Millennium Declaration and the Millennium Development Goals (MDGs). MDGs 1-7 reflected concrete development objectives, while MDG 8 spoke to their means of implementation and called on the international community “to develop a global partnership for development”. The Monterrey Consensus spelled out a holistic and coherent set of specific policy commitments by developed and developing countries to implement the aspirations of the Millennium Declaration.

A renewed and strengthened global partnership for sustainable development will be needed to support the post-2015 development agenda. At its heart, it will define a compact of commitments to policy actions by Member States. At the same time, it will need to provide space and flexibility for engagement with a much broader range of actors. In the quest to achieve sustainable development goals, m -4(0.3-)-14(s-)T(iTJ 14(ab13g)6(og)6(o)-4(n)l[(ach)-4(ai)mensusk-4(i)